

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2886 - SB 2692**

February 26, 2020

**SUMMARY OF BILL:** Creates a new specialty earmarked license plate for the Women's Suffrage Centennial.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$15,700/FY20-21/Tennessee Historical Society**

**\$12,500/FY20-21/Tennessee Arts Commission**

**\$3,100/FY20-21/Highway Fund**

**\$17,500/FY21-22 and Subsequent Years/Tennessee Historical Society**

**\$14,000/FY21-22 and Subsequent Years/Tennessee Arts Commission**

**\$3,500/FY21-22 and Subsequent Years/Highway Fund**

**Increase Local Revenue – \$1,000/FY21-22 and Subsequent Years**

**Other Fiscal Impacts – The Department of Revenue will retain approximately \$3,640 from the sale of every 1,000 license plates to compensate TRICOR for production, warehousing, and distribution costs. TRICOR will receive approximately \$140 in net revenue in FY20-21.**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 55-4-202(h)(1), new specialty earmarked license plates will be subject to a minimum order of at least 1,000 plates prior to initial issuance. Any plate that does not meet the minimum order requirement within one year after passage of the authorizing act will become invalid.
- The annual fee for a new specialty license plate is \$35.00.
- The recurring increase in state revenue is estimated to be \$35,000 (1,000 plates x \$35.00 fee).
- Pursuant to Tenn. Code Ann. § 55-4-215, all net revenue will be allocated as follows: 50 percent to the Tennessee Historical Society; 40 percent to the Tennessee Arts Commission; and 10 percent to the Highway Fund.
- The Department of Revenue will retain \$3.64 per license plate for a total of \$3,640 per 1,000 plates (1,000 plates x \$3.64), which will be paid to TRICOR in FY20-21 for the cost of production, warehousing, and distribution of the plates.

- The increase in state revenue in FY20-21 is estimated to be \$31,360 (\$35,000 - \$3,640), allocated as follows: \$15,680 (\$31,360 x 50%) to the Tennessee Historical Society; \$12,544 (\$31,360 x 40%) to the Tennessee Arts Commission; and \$3,136 (\$31,360 x 10%) to the Highway Fund.
- The recurring increase in state revenue in FY21-22 and subsequent years is estimated to be allocated as follows: \$17,500 (\$35,000 x 50%) to the Tennessee Historical Society; \$14,000 (\$35,000 x 40%) to the Tennessee Arts Commission; and \$3,500 (\$35,000 x 10%) to the Highway Fund.
- TRICOR's actual cost to produce, warehouse, and distribute these specialty license plates is estimated to be \$3.50 per license plate, resulting in \$0.14 net revenue per plate for a one-time increase in net revenue to TRICOR of \$140 (1,000 plates x \$0.14).
- Pursuant to Tenn. Code Ann. § 55-4-202(b)(5), a \$1.00 fee is payable to the county clerk upon issuance of any specialty license plate.
- A recurring increase in local revenue of \$1,000 (1,000 x \$1.00) in FY20-21 and subsequent years.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/jdb